



AUDIT: IOWA DEPARTMENT OF EDUCATION

Audit Report. The Office of the Auditor of State issued a report on the Iowa Department of Education for FY 2015.

Findings Related to Independent Review. The audit report included a finding that the allocation spreadsheets for special education grants and preschool special education grants were not reviewed by an independent person in FY2015. The Department's response was accepted by the auditors.

Findings Related to Internal Control. The audit report included four findings related to internal control:

- Payroll – The audit indicated concern over the number of individuals that have access to documents and approve payroll actions. The Department responded there is a process in place through which no single individual can control all levels of approval in the payroll system. The auditors accepted this response.
- Contractual Agreements – Auditors tested 52 service contracts that the Department established under the authority of Executive Order #25 and found issues with the following:
 - Approval/ execution date timing
 - Missing monitoring and review clauses
 - Lack of precontract questionnaires with required signatures
 - Amendments authorized after the end of the contract period
 - Forms required by the Iowa Code that were not completed

The Department responded to recommendations affirmatively, stating that they have corrected workflows, edited contract template language, and modified procedures to ensure that these contract issues do not arise in the future. The auditors accepted this response.

- Written Policies and Procedures – There are nine areas for which the auditors recommend the Department develop written procedures. The Department responded that they will have these procedures and policies in place by June 20, 2016.
- Segregation of Duties – Auditors found there were multiple instances in which a single individual was responsible for incompatible duties. The Department has rectified this situation in cases where they were able to and is working to find a solution for the other instance. The auditors acknowledged these changes and urged the Department to continue working toward full segregation of duties.

Findings Related to Statutory Requirements. Code of Iowa Compliance – Auditors found that the Department was out of compliance with four provisions from the Iowa Code:

- School district and area education agency equal employment opportunity reporting
- Internal review of Department rules
- Establishment of vocational education regional planning boards
- Establishment of a before and after school grant program

The Department contested their responsibility for initiating the employment opportunity reporting. The auditors reiterated that statute requires the Director of the Department of Education to prepare the report and recommended that the Department do so.

The auditors also acknowledged the Department's response regarding a lack of allocated resources to comply with the internal review of rules but reiterated the need for the Department to comply with the Iowa Code. The Department responded that the regional planning boards have been addressed through legislation and the grant program no longer exists because it was not funded. The auditors accepted the responses.

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